



**Representative
Ruth Kagi**

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- Children & Family Services
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- Criminal Justice & Corrections

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1-800-635-9993

2001 *Session Report*



Dear Neighbors,

The 57th Legislature is more than halfway through its regular session, and it certainly has been eventful! The earthquake has had a major impact on our operations, but the legislature is continuing to meet and hopes to complete its work by April 22nd, as scheduled. This is a good time to let you know about some of the major issues we are facing, and to seek your response.

I continue to work on issues our district considers important: transportation, families, education, energy and the environment. Education will continue to be my priority, but because voters mandated money to support smaller class sizes, learning improvement and pay raises for teachers last fall, much of the heavy lifting has already been done on this issue for this session. Foster care and children's issues continue to be a major focus of my attention.

Much of our debate during the remainder of this session will involve establishing priorities within the state's available resources. We will have some difficult decisions to make. Our resources were strained prior to the Nisqually earthquake, and paying for damaged buildings, roads and bridges presents a new and unprecedented challenge. With the steep rise in health care costs and the new funding mandated for K-12 education, we will have to reduce funding in other areas of the budget.

Please keep in touch on matters of importance to you. I hear from lobbyists and special interests all the time. What I want most is to hear from YOU. Please contact my Olympia office during session. My legislative assistant, Sara Van Meter, is here to help you access the legislature and state government.

Sincerely,

Rep. Ruth Kagi

The Budget

The budget helps chart the course for our state: the future of our public schools, the direction our transportation solutions will take, the way we take care of our vulnerable neighbors, how many graduates our universities will produce each year, and how well we protect our environment.

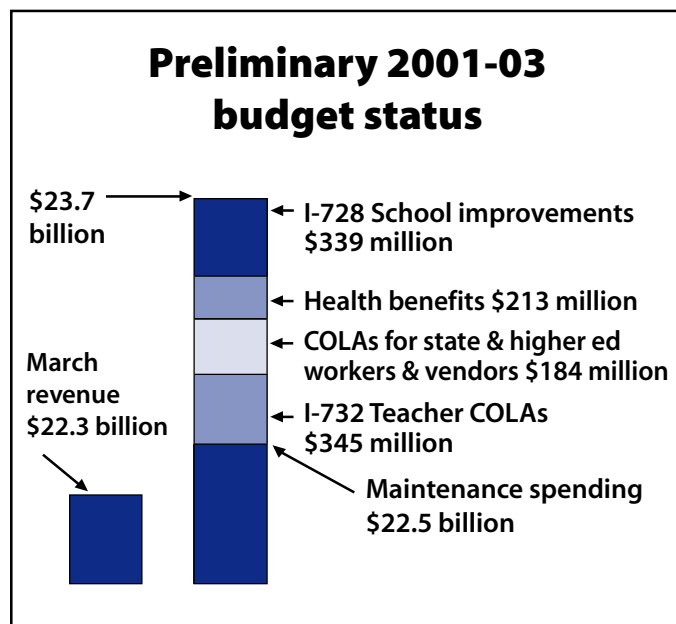
This year, writing a two-year budget posed significant challenges even prior to the Nisqually earthquake. Our state faces a budget crunch, in part because health care costs are rising \$1.3 billion in the next biennium. In addition, the voters in November clearly stated their priority—increased funding for K-12 education. Identifying the funds to

implement these initiatives within existing revenues is one of our challenges this session. The two education initiatives will cost over \$800 million. What's more, this year we will not have windfall revenue sources as we did last year, in the form of welfare caseload reductions and the tobacco settlement, to backfill the revenue losses resulting from Initiative 695 and fund education improvements.

The Governor sent us a budget that cut over \$100 million from the state's operating budget. In mid-February, the legislature was notified that increased K-12 enrollments and medical and liability costs will raise required spending for the next two

years by over \$300 million. Therefore, we will have to cut existing programs by at least \$300 million to cover these mandated expenditures.

Here is a graphic illustration of the budget challenge we are facing.



A Blue Ribbon blueprint

In 1998, the Legislature and Gov. Gary Locke set up the Blue Ribbon Commission on Transportation. This 46-member independent, non-partisan group was asked to assess Washington's transportation network and prepare a 20-year plan.

The Commission concluded that fundamental changes to transportation planning, financing, construction and service must be made. They said we should:



- ❑ **Set benchmarks and performance standards, then measure progress.**
- ❑ **Increase accountability and find efficiencies**, and put the governor in charge of the state Department of Transportation to provide a single point of accountability at the state level.
- ❑ **Invest in the basics** – keep roads and highways well maintained and safe, strengthen bridges to withstand earthquakes, sustain transit services and ferries, and plan for growth.
- ❑ **Empower regions to solve their own problems** – grant different regions of Washington new authority and flexibility to meet their unique needs, including their own revenue options.
- ❑ **Adopt the Commission's Early Action Strategy** – implement a 6-year action plan that funds projects to remedy the worst choke points around the state, keeps the ferries operating, and finds immediate efficiencies in our transportation system.

Solving the transportation dilemma

Eliminating gridlock on the issue

Washington motorists expect more and more out of their transportation system, but have been paying less and less for it. In 1967 we were driving less than 20 billion miles and spending a little more than 1 percent of our income on gas. Last year we drove 50 billion miles, but spent only 0.4 percent of our income on gas. The gas tax provides the state's largest source of transportation revenue. Washington's gas tax currently is 23 cents a gallon and has not increased since 1990.

Our state's second-largest source of transportation revenue – the Vehicle Excise Tax – was replaced with a \$30 fee when voters approved Initiative 695 in 1999. That eliminated \$1.3 billion from the state budget, including state support for public transit, ferries, rail programs, and some major highway construction projects.

32nd Legislative District



New revenue needed

The Blue Ribbon Commission recommends raising \$9 billion to \$13 billion during the next six years for its Early Action Strategy, and an additional \$40 billion to \$50 billion by 2020. Efficiencies, traffic-demand management, telecommuting and other emerging technologies will reduce needed funding by \$30 billion to \$40 billion. The commission's revenue recommendations are based on two principles:

- ❑ those who use the transportation system should fund it; and
- ❑ there must be a balance of funding for roads, transit and other transportation choices.

To raise the necessary funds, the commission proposes a variety of revenue sources that are being considered by the Legislature, including:

- ❑ a 6-cent increase in the 23-cent-per-gallon gas tax, phased in over six years;
- ❑ increasing ferry fares, so the state subsidy can be reduced to 20 percent in six years and 10 percent in 20 years. (The state currently subsidizes 40 percent of the system);

Getting smart on crime

Over the past decade, our drug laws have been based on the assumption that harsh penalties would deter addiction. Experience has disproved that theory. One clear impact of harsh penalties is the rapid increase in prison beds. Our prison population has doubled since 1986.

Nearly a quarter of current prisoners are non-violent drug offenders. There is growing awareness among the public and policy makers that our drug laws must change. We have been tough on crime. Now it is time to get smart on crime.

We spend \$23,000 a year to keep a person in prison. Without treatment, chances are this person will return to society still a drug addict, and commit more crimes to feed his or her addiction. The main obstacle to treatment has been a lack of resources. I am co-sponsor of a bill that will reduce sentence length for non-violent drug crimes, and invest the savings into treatment and drug courts.

Dealing with the energy crisis

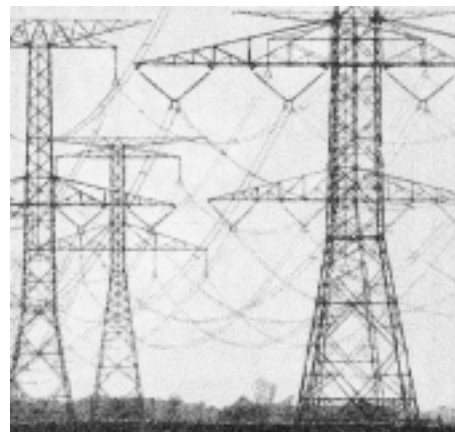
Consumers are coping with sharply rising prices for electricity and natural gas, as well as warnings of supply shortages. Businesses faced with huge cost increases have had to curtail operations or shut down completely. If our future is to be safe and secure, our supply of energy must be affordable, reliable and clean. What we do in energy also will affect our ability to create and maintain good-paying jobs for our citizens.

Washington's tightening supply and rising costs of electricity are rooted in many causes: low rainfall, rising power demand, California's turbulent energy market, and lack of new generating capacity to serve the new economy. Due to low power prices during the 1990s, six generating plants approved in our state have yet to be built. Only one plant, proposed for Sumas, has not been approved, and negotiations to mitigate environmental impacts for that permit continue. New generation plants are crucial, but they also must meet environmental standards.

While California's energy crisis has had a serious impact, Washington receives two megawatts back from California for every one we send them.

Solutions are complicated, but we must ensure that Washington citizens and businesses have access to reliable and stable power.

I am supporting bills that will encourage investment in alternative energy sources, protect the Bonneville Power Administration as a Northwest power resource, and increase our conservation efforts. Conservation is particularly important this year as we are facing a serious drought, which will further affect hydro-power generation. **Everyone is strongly encouraged to save energy – and save water.**





Please
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Rep. Ruth Kagi
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I'm interested in hearing your thoughts on issues of importance to you. I'd really appreciate it if you'd drop me a line.

Dear Ruth,



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